

**MOTOR VEHICLE INSURANCE FEE**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Larry B. Wiley**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies the Motor Vehicles Code by amending provisions relating to a motor vehicle insurance fee.

**Highlighted Provisions:**

This bill:

- ▶ creates the Automated License Plate Recognition System Restricted Account;
- ▶ provides that the Motor Vehicle Enforcement Division shall use funds in the Automated License Plate Recognition System Restricted Account to administer an automated license plate recognition system program;
- ▶ imposes a \$.50 annual fee on every vehicle covered under a policy of insurance purchased to satisfy the owner's or operator's security requirement;
- ▶ requires insurers issuing insurance policies covering motor vehicle risks to pay the fees to the State Tax Commission on or before March 31 of each year;
- ▶ provides that the revenues from the fee shall be deposited into the Automated License Plate Recognition System Restricted Account; and
- ▶ grants the State Tax Commission rulemaking authority to make rules to implement and enforce collection of the fee.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**



This bill takes effect on July 1, 2009.

**Utah Code Sections Affected:**

ENACTS:

**41-1a-1223**, Utah Code Annotated 1953

**59-9-105.5**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **41-1a-1223** is enacted to read:

**41-1a-1223. Automated License Plate Recognition System Restricted Account.**

(1) As used in this section, "automated license plate recognition system" means a computerized camera system mounted on a vehicle or permanently mounted over a highway that recognizes license plates to alert law enforcement of violations, including:

(a) Amber Alerts;

(b) stolen vehicles;

(c) stolen license plates;

(d) wanted persons;

(e) revoked license plates;

(f) expired license plates; and

(g) any other criminal violation that could be identified by the automated license plate recognition system.

(2) (a) There is created within the General Fund a restricted account known as the "Automated License Plate Recognition System Restricted Account."

(b) The account consists of monies generated from the following revenue sources:

(i) monies deposited into the fund in accordance with Section 59-5-105.5; and

(ii) appropriations made to the account by the Legislature.

(3) (a) The account shall earn interest.

(b) All interest earned on account monies shall be deposited into the account.

(4) The Motor Vehicle Enforcement Division shall use monies deposited into the account to:

(a) purchase additional automated license plate recognition systems;

(b) support and update existing automated license plate recognitions systems and

59 equipment; and

60 (c) fund automated license plate recognition system program management and  
61 personnel costs.

62 Section 2. Section **59-9-105.5** is enacted to read:

63 **59-9-105.5. Fee on certain insurers to pay for automated license plate recognition**  
64 **system program.**

65 (1) Each insurer providing coverage for motor vehicle liability, uninsured motorist, and  
66 personal injury protection shall pay to the State Tax Commission on or before March 31 of  
67 each year, an annual fee of \$.50 on each vehicle covered under a policy covering motor vehicle  
68 risks in this state that satisfies the requirement for owners or operators security under Section  
69 41-12a-301.

70 (2) All monies received by the state under this section shall be deposited into the  
71 Automated License Plate Recognition System Restricted Account created by Section  
72 41-1a-1223 for the purpose of providing funds to pay for any costs and expenses incurred by  
73 the Motor Vehicle Enforcement Division to administer an automated license plate recognition  
74 system program in accordance with Section 41-1a-1223.

75 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
76 commission may make rules to implement and enforce this section.

77 Section 3. **Effective date.**

78 This bill takes effect on July 1, 2009.

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**Legislative Review Note**

**as of 2-6-09 11:33 AM**

**Office of Legislative Research and General Counsel**

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**H.B. 161 - Motor Vehicle Insurance Fee****Fiscal Note**

2009 General Session

State of Utah

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**State Impact**

Enactment of this bill will put in place a \$0.50 fee on each motor vehicle insurance policy. This could increase revenue to the Automated License Plate Recognition System Restricted Account by \$1,160,000 in FY 2010 and \$1,190,000 in FY 2011. The revenue to the restricted account is to be used by the Motor Vehicle Enforcement Division to administer an automated license plate recognition system; four vehicles would be purchased in FY 2010 and two vehicles in FY 2011.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund Restricted	\$0	\$1,160,000	\$1,190,000	\$0	\$1,160,000	\$1,190,000
<b>Total</b>	<b>\$0</b>	<b>\$1,160,000</b>	<b>\$1,190,000</b>	<b>\$0</b>	<b>\$1,160,000</b>	<b>\$1,190,000</b>

**Individual, Business and/or Local Impact**

Individuals and businesses with insurance policies on their vehicles will experience a fee increase of \$1,160,000 in FY 2010 and \$1,190,000 in FY 2011. Locals could be affected through increased recovery of stolen vehicles.